



General Assembly

Substitute Bill No. 434

February Session, 2010

* ____SB00434INS__042710__ *

AN ACT CONCERNING THE REAL ESTATE CONVEYANCE TAX.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 12-494 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2010*):

4 (a) There is imposed a tax on each deed, instrument or writing,
5 whereby any lands, tenements or other realty is granted, assigned,
6 transferred or otherwise conveyed to, or vested in, the purchaser, or
7 any other person by [his] such purchaser's direction, when the
8 consideration for the interest or property conveyed equals or exceeds
9 two thousand dollars, (1) subject to the provisions of subsection (b) of
10 this section, at the rate of five-tenths of one per cent of the
11 consideration for the interest in real property conveyed by such deed,
12 instrument or writing, the revenue from which shall be remitted by the
13 town clerk of the municipality in which such tax is paid, not later than
14 ten days following receipt thereof, to the Commissioner of Revenue
15 Services for deposit to the credit of the state General Fund, and (2) at
16 the rate of one-fourth of one per cent of the consideration for the
17 interest in real property conveyed by such deed, instrument or writing,
18 and on and after July 1, [2010] 2012, at the rate of eleven one-
19 hundredths of one per cent of the consideration for the interest in real
20 property conveyed by such deed, instrument or writing, provided the

21 amount imposed under this subdivision shall become part of the
22 general revenue of the municipality in accordance with section 12-499.

23 Sec. 2. Subsection (a) of section 12-498 of the 2010 supplement to the
24 general statutes is repealed and the following is substituted in lieu
25 thereof (*Effective October 1, 2010*):

26 (a) The tax imposed by section 12-494, as amended by this act, shall
27 not apply to: (1) Deeds which this state is prohibited from taxing under
28 the Constitution or laws of the United States; (2) deeds which secure a
29 debt or other obligation; (3) deeds to which this state or any of its
30 political subdivisions or its or their respective agencies is a party; (4)
31 tax deeds; (5) deeds of release of property which is security for a debt
32 or other obligation; (6) deeds of partition; (7) deeds made pursuant to
33 mergers of corporations; (8) deeds made by a subsidiary corporation to
34 its parent corporation for no consideration other than the cancellation
35 or surrender of the subsidiary's stock; (9) deeds made pursuant to a
36 decree of the Superior Court under section 46b-81, 49-24 or 52-495; (10)
37 deeds, when the consideration for the interest or property conveyed is
38 less than two thousand dollars; (11) deeds between affiliated
39 corporations, provided both of such corporations are exempt from
40 taxation pursuant to paragraph (2), (3) or (25) of Section 501(c) of the
41 Internal Revenue Code of 1986, or any subsequent corresponding
42 internal revenue code of the United States, as from time to time
43 amended; (12) deeds made by a corporation which is exempt from
44 taxation pursuant to paragraph (3) of Section 501(c) of the Internal
45 Revenue Code of 1986, or any subsequent corresponding internal
46 revenue code of the United States, as from time to time amended, to
47 any corporation which is exempt from taxation pursuant to said
48 paragraph (3) of said Section 501(c); (13) deeds made to any nonprofit
49 organization which is organized for the purpose of holding
50 undeveloped land in trust for conservation or recreation purposes; (14)
51 deeds between spouses; (15) deeds of property for the Adriaen's
52 Landing site or the stadium facility site, for purposes of the overall
53 project, each as defined in section 32-651; (16) land transfers made on
54 or after July 1, 1998, to a water company, as defined in section 16-1,

55 provided the land is classified as class I or class II land, as defined in
 56 section 25-37c, after such transfer; (17) transfers or conveyances to
 57 effectuate a mere change of identity or form of ownership or
 58 organization, where there is no change in beneficial ownership; [and]
 59 (18) conveyances of residential property which occur not later than six
 60 months after the date on which the property was previously conveyed
 61 to the transferor if the transferor is (A) an employer which acquired the
 62 property from an employee pursuant to an employee relocation plan,
 63 or (B) an entity in the business of purchasing and selling residential
 64 property of employees who are being relocated pursuant to such a
 65 plan; (19) deeds in lieu of foreclosure that transfer the transferor's
 66 principal residence; and (20) any instrument transferring a transferor's
 67 principal residence where the gross purchase price is insufficient to
 68 pay the sum of (A) mortgages encumbering the property transferred,
 69 and (B) any real property taxes and municipal utility or other charges
 70 for which the municipality may place a lien on the property and which
 71 have priority over the mortgages encumbering the property
 72 transferred.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2010</i>	12-494(a)
Sec. 2	<i>October 1, 2010</i>	12-498(a)

FIN *Joint Favorable Subst.*

INS *Joint Favorable*